

LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

NEW YORK
WASHINGTON, D.C.
ALBANY
BOSTON
DENVER
HARRISBURG
HARTFORD
HOUSTON
JACKSONVILLE
LOS ANGELES
NEWARK
PITTSBURGH
SALT LAKE CITY
SAN FRANCISCO

1875 CONNECTICUT AVENUE, N.W.
WASHINGTON, DC 20009-5728

(202) 986-8000

TELEX 440274 FACSIMILE: (202) 986-8102

WRITER'S DIRECT DIAL.

(202) 986-8069

E-Mail Address: William.Sjoberg@llgm.com

LONDON
(A LONDON-BASED
MULTINATIONAL PARTNERSHIP)

PARIS

BRUSSELS

MOSCOW

RIYADH
(AFFILIATED OFFICE)

TASHKENT

BISHKEK

ALMATY

BEIJING

November 13, 2001

Confidential Business Information
Deleted at Attachment B

PUBLIC VERSION

VIA E-MAIL

Ms. Gloria Blue
Executive Secretary
TPSC, Office of the USTR
600 17th Street, NW
Washington, DC 20508

Re: Request for Exclusion from any Remedies Imposed Pursuant to the
Section 201 Investigation of Certain Steel Products – Shaped Edgewire
of High-Speed Steel

Dear Ms. Blue:

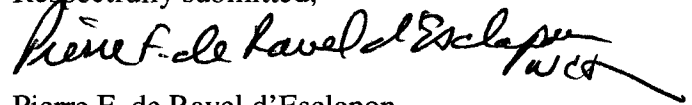
On behalf of our client, the ERAMET Group and its affiliate, Erasteel Inc., a U.S. producer and importer of high-speed steel, we hereby attach Erasteel's request that shaped edgewire of high-speed steel be excluded from any remedies imposed pursuant to the Section 201 steel investigation of certain steel. As set forth in the attachment, such products are not produced in the United States and any remedies imposed would most certainly injure the U.S. industries that are dependent on imports of shaped edgewire of high-speed steel for use as inputs in their production process.

Confidential information contained in brackets in Attachment B has been deleted because public disclosure as release of such information would disclose confidential commercial information to the detriment of its affiliate, Erasteel Inc. Such information is not susceptible to public summary.

Ms. Gloria Blue
November 13, 2001
Page 2

Please do not hesitate to contact the undersigned should you have any questions regarding this submission.

Respectfully submitted,

A handwritten signature in black ink, reading "Pierre F. de Ravel d'Esclapon". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Pierre F. de Ravel d'Esclapon
William C. Sjoberg

Attachment

REQUEST FOR EXCLUSION FROM ANY REMEDIES IMPOSED PURSUANT TO THE SECTION 201 INVESTIGATION OF CERTAIN STEEL PRODUCTS

SHAPED EDGEWIRE OF HIGH-SPEED STEEL

- a. **Commercial Name:** Shaped Edgewire of High-Speed Steel. This product is also known as profile edgewire.

Grades: AISI M2 (HS 6-5-2), AISI 3:1 (HS 6-6-2), MATII (HS1-5-1-8), AISI M42 (HS 2-9-1-8) and WKE42 (HS 10-43-10).

HTS No.: 7226.20.0000, 7229.10.0000

- b. **Description:** Shaped edgewire of high-speed steel is two-dimensional (*i.e.*, square or rectangle) steel used for bimetal saws. The dimensions of the edgewire are as follows: thickness – 0.020 – 0.104 in.; width – 0.031 – .394 in.
- c. **Basis for Requesting Exclusion:** There is no U.S. production of shaped edge wire of high-speed steel. See Attachment A wherein Hans Sack, President of Timken Latrobe Steel, states for the record before the International Trade Commission that that “ . . . it is a fact that [Timken has] chosen not to participate in certain product forms, such as edge wire [sic] or high speed strip for saw blades . . . ” See also Attachment B for an affidavit from a U.S. consumer of shaped edgewire attesting to the fact that product is not produced in the United States. As a result, it should be readily apparent that limiting imports of shaped edgewire would adversely affect U.S. industries that rely on those imports for use as raw material in the production process.
- d. **Names and Locations of Any Producers, in the United States and foreign countries, of the Product:**

<u>Name</u>	<u>Location</u>
Peter Stubs Ltd.*	U.K.
Erasteel Kloster AB*	Sweden
Hitachi Metals	Japan
Nachi	Japan
Bohler/ Uddeholm	Austria
Sandvik Steel	Sweden
Hunan	China
Dalian Steel	China

*member of the ERAMET Group

- e. **Total U.S. Consumption of the Product by Quantity (short tons) and Value (000s) for Each Year 1996 to 2000 and Projected Annual Consumption for Each Year from 2001 to 2005:**

	1996	1997	1998	1999	2000
QTY.	545	535	500	645	650
VAL.	9750	9570	8945	11540	11627

	2001	2002	2003	2004	2005
QTY.	605	630	660	690	720
VAL.	10820	11270	11800	12340	12880

Basis for the projections: Marketing analysis and knowledge of the industry.

- f. **Total U.S. Production of the Product for Each Year from 1996 to 2000:**

	1996	1997	1998	1999	2000
QTY.	0.00	0.00	0.00	0.00	0.00
VAL.	0.00	0.00	0.00	0.00	0.00

- g. **The Identity of Any U.S.-Produced Substitute for the Product, Total U.S. Production of the Substitute for Each Year 1996 to 2000 and the Names of any U.S. Producers of the Substitute:** There is no U.S.-produced substitute for shaped edgewire of high-speed steel.

ATTACHMENT A

UNITED STATES INTERNATIONAL TRADE COMMISSION

In the Matter of:

STEEL

)

) Investigation No.:

) TA-201-73

Pages: 1721 through 2161

Place: Washington, D.C.

Date: September 25, 2001

HERITAGE REPORTING CORPORATION

Official Reporters

1220 L Street, N.W., Suite 600

Washington, D.C. 20005

(202) 628-4888

1 You may hear today that, one, tool steel is an
2 insignificant part of our business; two, that U.S. products
3 do not compete with imports because U.S. tool steel is a
4 high end product; and three, that most U.S. tool steel
5 producers are not in support of relief. I completely
6 disagree with the arguments that have been raised.

7 First, as I mentioned earlier, tool steel is the
8 core product of our manufacturing operations at Timken
9 Latrobe Steel. Tool steel accounts for between 45 and 65
10 percent of our manufacturing business, depending on the
11 cyclical strength of our other business, the aerospace
12 business. Between 1992 and 1996, \$60 million were invested
13 in our tool steel operations.

14 \$40 million spent in capital investments between
15 1996 and 1999 also served in large measure to modernize our
16 tool steel operations. A \$20 million project to modernize
17 our rolling facility, which would firmly position us as a
18 global leader for tool steel bar and coil, has been delayed
19 since our recent market share and profit erosion makes
20 justification of this large investment very difficult, not
21 to mention our expectation of accelerating imports, unless
22 some trade remedy is provided.

23 The livelihood of 1,100 associates depends on the
24 tool steel business.

25 Second, while it is a fact that we have chosen not

1 to participate in certain product forms, such as edge wire
2 or high speed strip for saw blades, our tool steel products
3 do compete directly with imports. For example, Bohler, ERA,
4 and Gloria produce precisely the same type of high speed
5 tool steel that Timken produces. In addition, more and more
6 foreign producers are entering this market, notably from
7 newly developed countries, as well as the former Soviet
8 Union.

9 In addition to high speed tool steel, we retain
10 the capability to produce the full range of tool steels, but
11 indeed, we have focused on higher value niche grades,
12 because the import price levels make it uneconomical to
13 produce commodity grades.

14 The fact that we have been pushed out of segments
15 in the market by low-priced imports should not be construed
16 to mean that imports are not like products that do not
17 compete directly with ours. Rather, imports keep following
18 us into the higher value products progressively.

19 Third, I suggest that the Commission carefully
20 consider the position of other U.S. tool steel producers in
21 this proceeding. Some of these companies are the affiliates
22 of foreign producers, engaged only in value added operations
23 and warehousing. Others may have retreated to narrow niches
24 where indeed there is less import pressure.

25 In some cases, U.S. producers who have wanted to

ATTACHMENT B

AFFIDAVIT OF []

In the matter of: Steel Investigation No. TA-201-73

I, [], hereby declare:

1. I am Vice President for Procurement for [] []
2. Having been in business for []
[].
3. [] employs 250 people.
4. As one of the largest producers of saw blades for industry and consumer use in North America, we manufacture approximately 25 million feet of saw blades a year, including carbon bandsaw blades, bimetal bandsaw blades and carbide tipped bandsaw blades.
5. In the manufacture of bimetal saw blades, we electron-beam weld high-speed steel edgewire to carbon steel backing.
6. It is the edgewire that is sharpened and acts as the cutting element of the saw blade.
7. Edgewire is manufactured in two forms, shaped, with two dimensions (e.g., square or rectangle), and round. Shaped edgewire is also known as profile edgewire.
8. [] only purchases and consumes shaped edgewire in its manufacture of bimetal saw blades.
9. I estimate that 600 tons of edgewire are consumed in the United States per year. Of that amount, [] accounts for approximately [10] percent.
10. Shaped edgewire is not produced in the United States.

**PUBLIC VERSION
NON-CONFIDENTIAL**

11. Thus, it is the position of [] that any remedy stopping or otherwise limiting the imports of high-speed edgewire into the United States will have an injurious affect on the U.S. saw blade industry in general, and [], in particular.
12. I certify that the information contained in this statement is, to the best of my knowledge, complete and accurate. I also request proprietary treatment of bracketed information in this Statement, disclosure of which could affect my company's competitive position.

Dated: _____

9/5/01

[

]

DC205002.1

Notarization

=====

Commonwealth of Massachusetts
Worcester, ss

[

]